

m/p 53/005

District of Vancouver  
Division No. 03  
Court No.: 193851VA99  
Estate No.: 193851VA99

**NOTICE OF BANKRUPTCY AND FIRST MEETING OF CREDITORS**  
(Subsection 102(1) of the Act)

**IN THE MATTER OF THE BANKRUPTCY OF  
DAKOTA MINING CORPORATION**

Take notice that:

1. DAKOTA MINING CORPORATION filed an assignment in bankruptcy on the 9<sup>th</sup> day of July, 1999, and the undersigned, KPMG Inc., was appointed as trustee of the estate of the bankrupt by the official receiver, subject to affirmation by the creditors of the trustee's appointment or substitution of another trustee by the creditors.

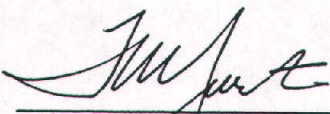
2. The first meeting of creditors of the bankrupt will be held on the 6<sup>th</sup> day of August, 1999, at 10:00 o'clock in the forenoon at 900 - 777 Dunsmuir Street, Vancouver, BC V7Y 1K3

3. To be entitled to vote at the meeting, a creditor must lodge with the trustee, before the meeting, a proof of claim and, where necessary, a proxy.

4. Enclosed with this notice is a form of proof of claim, a form of proxy, and a list of creditors with claims amounting to twenty-five dollars or more, showing the amounts of their claims.

5. Creditors must prove their claims against the estate of the bankrupt in order to share in any distribution of the proceeds realized from the estate.

Dated at Vancouver, British Columbia, the 16<sup>th</sup> day of July, 1999.



KPMG Inc., Trustee  
P.O. Box 10426  
Pacific Centre  
777 Dunsmuir Street  
Vancouver BC V7Y 1K3

**RECEIVED**

JUN 05 2000

DIVISION OF  
OIL, GAS AND MINING



ACCEPTED FOR FILING  
BY THE OFFICIAL RECEIVER

JUL 9 1999

B.C. DIVISION 3  
(VANCOUVER)

## STATEMENT OF AFFAIRS (Sec. 158)

## IN THE MATTER OF THE BANKRUPTCY OF

DAKOTA MINING CORPORATION

To the Bankrupt:

You are required to carefully and accurately complete this form and the applicable attachments showing the state of your affairs on the date of your bankruptcy, on: . When completed, this form and the applicable attached lists will constitute your Statement of Affairs and must be verified by oath or solemn declaration:

## Liabilities

(as stated and estimated by debtor)

|  |                |
|--|----------------|
| 1. Unsecured creditors as per List 'A'.....        | \$ 50378963.64 |
| 2. Secured creditors as per List 'B'.....          | NIL            |
| 3. Preferred creditors as per List 'C'.....        | NIL            |
| 4. Contingent or other liabilities as per List 'D' |                |
| estimated to be reclaimable for.....               | 1039789.11     |
| <br>Total liabilities.....                         | \$ 51418752.75 |
| Surplus.....                                       | \$ NIL         |

## Assets

(as stated and estimated by debtor)

|   |               |             |
|---|---------------|-------------|
| (a) Inventory.....  | \$            | NIL         |
| (b) Trade fixtures, etc.....                                  |               | NIL         |
| (c) Accounts receivable and other receivables as per list 'E' |               |             |
| Good.....   | \$ 9501885.00 |             |
| Doubtful.....   | \$            | NIL         |
| Bad.....  | \$            | NIL         |
| Estimated to produce.....                                     |               | NIL         |
| (d) Bills of exchange, promissory notes, etc. as              |               |             |
| per list 'F'.....   |               | NIL         |
| (e) Deposits in financial institutions.....                   |               | NIL         |
| (f) Cash .....  |               | 1866.00     |
| (g) Livestock.....  |               | NIL         |
| (h) Machinery, equipment and plant.....                       |               | 1466.00     |
| (i) Real property as per List 'G' .....                       |               | NIL         |
| (j) Furniture.....  |               | NIL         |
| (k) RRSPs, RRIFs, Life Insurance, etc.....                    |               | NIL         |
| (l) Securities (shares, bonds, debentures, etc.)..            |               | NIL         |
| (m) Interests under wills.....                                |               | NIL         |
| (n) Other property, Per List 'H':-                            |               |             |
| PREPAID EXPENSES  | \$            | 0.00        |
| INVESTMENT AND ADVANCES FROM                                  | \$            | 0.00        |
| SUBSIDIARIES  |               |             |
| OTHER ASSET   | \$            | 0.00        |
| SECURITY DEPOSIT FOR OFFICE                                   | \$            | 0.00        |
| LEASE   |               |             |
|   |               | 0.00        |
| IF Bankrupt is a Corporation add:                             |               |             |
| Amount of capital subscribed                                  |               | NIL         |
| Amount paid thereon   |               | NIL         |
| Balance subscribed and unpaid.....                            |               | NIL         |
| Estimated to produce  |               | NIL         |
| Total Assets.....   | \$            | 2332.00     |
| Deficiency.....   | \$            | 51415420.75 |

I, ALAN R. BELL, PRESIDENT AND CEO of DAKOTA MINING CORPORATION do swear that this statement and the attached lists are to the best of my knowledge a full, true and complete statement of its affairs on July 9, 1999, and fully disclose all of its property of every description that is in its possession or that may devolve on me in accordance with Section 67 of the Act.



## STATEMENT OF AFFAIRS (Sec. 158)

IN THE MATTER OF THE BANKRUPTCY OF  
DAKOTA MINING CORPORATION

SWORN before me at the City  
of Denver  
in the State of Colorado  
this 9th day of July, 1999.

Kayhan L. McCoy

~~A Commissioner for Taking Affidavits in and for the Province  
of British Columbia~~

Notary Public, Colorado

My Commission Expires Sept. 23, 2002

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>  
>  
>  
>

Alan R. Bell

Signature of Debtor or Officer



IN THE MATTER OF THE BANKRUPTCY OF  
DAKOTA MINING CORPORATION

List 'A'  
Unsecured Creditors

| No. | Name                                    | Address   | Account No. | Amount of Claim |
|-----|---|---|-------------|-----------------|
| 01  | AMERICAN STOCK EXCHANGE                 | P.O. BOX 11181<br>NEW YORK, NEW YORK, USA 10049                   |             | 175.71          |
| 02  | BANK OF MONTREAL TRUST                  | 88 PINE STREET<br>NEW YORK, NEW YORK, USA 10005                   |             | 5,903.69        |
| 03  | BEARSMAN TALESNICK & CLOWDUS            | 1200 17TH STREET, STE 2600<br>DENVER, COLORADO, USA 80202         |             | 3,717.42        |
| 04  | BELL, ALAN R.                           | 4303 E. LINKS PARKWAY<br>LITTLETON, COLORADO, USA 80122           |             | 657.27          |
| 05  | CANACCORD CAPITAL CORP.                 | 320 BAY STREET, SUITE 1210<br>TORONTO, ONT M5H 4A6                |             | 53,038.93       |
| 06  | CANADIAN INST. OF CHARTERED ACCOUNTANTS | 277 WELLINGTON STREET<br>TORONTO, ONT M5V 3M2                     |             | 220.97          |
| 07  | CDS INCORPORATED                        | 85 RICHMOND STREET<br>TORONTO, ONT M5H 2C9                        |             | 1,019.31        |
| 08  | CHRISTIENSEN, MOORE, COCKRELL           | P.O. BOX 7370<br>KALLSPELL, MT, USA 55904                         |             | 1,195.12        |
| 09  | CLAY, LONDON                            | C/O EATON VANCE MGT<br>24 FEDERAL STREET<br>BOSTON, MA, USA 02110 |             | 1,764.43        |
| 10  | DEMPSEY, STANLEY                        | 1660 WINKOOP STREET<br>DENVER, CO, USA 80202                      |             | 1,764.43        |
|     |   |   |             | Continued       |

Dated: July 9, 1999

*Alan R. Burr*  
Signature of Debtor or Officer



IN THE MATTER OF THE BANKRUPTCY OF  
DAKOTA MINING CORPORATIONList 'A'  
Unsecured Creditors

| No. | Name                         | Address  | Account No. | Amount of Claim |
|-----|------------------------------|--|-------------|-----------------|
| 11  | DE BLATTNER & SONS           | 400 COUNTRY ROAD 50<br>AVON, MN, USA 56310-9676            |             | 5,729,050.85    |
| 12  | FORD MOTOR CREDIT            | P.O. BOX 88306<br>CHICAGO, IL, USA 60680                   |             | 7,468.64        |
| 13  | GEMISYS                      | 7103 SO. REVERE PARKWAY<br>ENGLEWOOD, CO, USA 80112        |             | 3,723.54        |
| 14  | GERALD METALS INC.           | P.O. BOX 10134<br>STAMFORD, CT, USA 06904                  |             | 6,956,314.86    |
| 15  | GLOBEMEDIA AG                | STRASSE 41 D-73033<br>GOPPINGEN, GERMANY                   |             | 8,511.05        |
| 16  | IICC INVESTOR COMMUNICATIONS | 6250 KESTRAL ROAD<br>MISSISSAUGA, ONT L5T 1Y9              |             | 1,861.98        |
| 17  | JENSEN, TOR                  | 51 BLEEDLOW MANOR DRIVE<br>SCARBOROUGH, ONT M1E 1B1        |             | 2,932.60        |
| 18  | JONES & KELLER               | 1625 BROADWAY, STE 16<br>DENVER, COLORADO, USA 80202       |             | 641.51          |
| 19  | MCCARTHY TETRAULT            | 777 DUNSMUIR STREET<br>SUITE 1300<br>VANCOUVER, BC V7Y 1K3 |             | 45,273.65       |
| 20  | MONTREAL TRUST               | 510 BURNARD STREET<br>VANCOUVER, BC V6C 3B9                |             | 51,214.41       |
|     |                              |  |             | Continued       |

Dated: July 9, 1999

  
Signature of Debtor or Officer



IN THE MATTER OF THE BANKRUPTCY OF  
DANOTA MINING CORPORATION

List 'A'  
Unsecured Creditors

| No. | Name                             | Address   | ACCOUNT NO. | Amount of Claim |
|-----|----------------------------------|---|-------------|-----------------|
| 21  | MONTREAL TRUST COMPANY OF CANADA | 510 BURNARD STREET<br>VANCOUVER, BC V6C 2B9                         |             | 23,764,202.76   |
| 22  | M H ROTHSCHILD & SONS LTD.       | NEW COURT ST.<br>SWITHIN'S LANE<br>LONDON, ENGLAND EC4P 4DU         |             | Unknown         |
| 23  | PARCEL, MAURO, KUTTIN            | 1801 CALIFORNIA STREET<br>SUITE 1600<br>DENVER, COLORADO, USA 80202 |             | 51,235.44       |
| 24  | PITNEY BOWES CREDIT CORPORATION  | P.O. BOX 85460<br>LOUISVILLE, KENTUCKY, USA 40285-5460              |             | 2,461.41        |
| 25  | PR NEWSWIRE                      | P.O. BOX 5897<br>NEW YORK, NEW YORK, USA 10007                      |             | 19,072.90       |
| 26  | QUEBECOR MERRILL CANADA INC.     | 1 ADELAIDE STREET EAST, 22ND FLOOR<br>TORONTO, ONT M5C 2V3          |             | 12,575.46       |
| 27  | R.R. DONNELLY AND SONS COMPANY   | 77 W. WACKER DRIVE<br>CHICAGO, ILLINOIS, USA 60601-1696             |             | 46,971.13       |
| 28  | REVENUE CANADA TAXATION          | TAXATION CENTRE<br>OTTAWA, ONT K1A 1B1                              |             | 4,948.76        |
| 29  | ROTSCHILD DENVER INC.            | 370 17TH STREET<br>SUITE 3020<br>DENVER, COLORADO, USA 80202        |             | 13,576,392.19   |
| 30  | KUDACK, D. JAMES                 | 106 FLOWIN DRIVE<br>SAULT STE MARIE, ONT P6A 4J1                    |             | 1,649.59        |
|     |                                  |   |             | Continued       |

Dated: July 9, 1999

*Man D. Ben*  
Signature of Debtor or Officer



IN THE MATTER OF THE BANKRUPTCY OF  
DAKOTA MINING CORPORATION

List 'A'  
Unsecured Creditors

| No.     | Name                         | Address  | Account No. | Amount of Claim |
|---------|------------------------------|--|-------------|-----------------|
| 31      | REPRINT PRESS                | 4979 KINGSION STREET<br>DENVER, COLORADO, USA 80239        |             | 7,080.23        |
| 32      | STANDARD & POOR'S            | P.O. BOX 88-9547<br>CHICAGO, IL, USA 60680                 |             | 1,843.84        |
| 33      | STRAITHCOMA MINERAL SERVICES | 20 TORONTO STREET<br>20TH FLOOR<br>TORONTO, ONT M5C 2B0    |             | 4,975.51        |
| 34      | THE ANNUAL REPORT GROUP      | 6312 S. FIDDLER'S GREEN CIRCLE<br>ENGLEWOOD, CO, USA 80111 |             | 1,832.23        |
| 35      | THOMPSON E.G.                | 55 UNIVERSITY AVENUE<br>SUITE 1210<br>TORONTO, ONT M5J 2M7 |             | 1,649.59        |
| 36      | THOMPSON, CHRISTOPHER M.T.   | 24 ST. ANDREWS ROAD<br>PARKTOWN 2193 SOUTH AFRIC           |             | 1,964.43        |
| 37      | TORONTO STOCK EXCHANGE       | P.O. BOX 421<br>TORONTO, ONT M5X 1J2                       |             | 71.85           |
| *TOTAL* |                              |  |             | 50,378,962.64   |

Dated: July 9, 1999

*Alan R. Bell*  
Signature of Debtor or Officer



IN THE MATTER OF THE BANKRUPTCY OF  
DAKOTA MINING CORPORATION

List 'B'  
Secured Creditors

| No.       | Name & Address<br>Nature of Claim<br>Particulars of Security  | Amount<br>of Claim | When<br>Given | Estimated<br>Value of<br>Security | Estimated<br>Surplus<br>from<br>Security | Balance<br>of Claim<br>Unsecured |
|-----------|---|--------------------|---------------|-----------------------------------|--|----------------------------------|
| 01        | PITNEY BOWES CREDIT CORPORATION<br>P.O. BOX 85460<br>LOUISVILLE, KENTUCKY, USA 40285-5460<br><br>POSTAL MACHINE | 3,461.41           | N/A           | 0.00                              | 0.00                                     | 3,461.41                         |
| * TOTAL * |   | 3,461.41           |               |                                   |  | 3,461.41                         |

Dated: July 9, 1999

Alan R. Bay.  
Signature of Debtor or Officer



IN THE MATTER OF THE BANKRUPTCY OF  
DAKOTA MINING CORPORATIONList 'C'  
Preferred Creditors for Wages, Rent, Etc.

| No.     | Name of Creditor<br>Address and Occupation | Nature of Claim | Period During<br>Which Claim<br>Accrued | Amount<br>of<br>Claim | Amount<br>Payable<br>in Full | Ranking<br>for<br>Dividend |
|---------|--|-----------------|---|-----------------------|------------------------------|----------------------------|
| "TOTAL" |  |                 |   | 0.00                  |                              |                            |

Dated: July 9, 1999

Alvin R. Bull  
Signature of Debtor or Officer



IN THE MATTER OF THE BANKRUPTCY OF  
DAKOTA MINING CORPORATION

List 'D'  
Contingent or Other Liabilities

| No.     | Name of Creditor or Claimant<br>Address and Occupation  | Amount of<br>Liability<br>or Claim | Amount Expected<br>to Rank for<br>Dividend | Date Liab<br>Incurred<br>Mo Yr | Nature of Liability      |
|---------|---|------------------------------------|--|--------------------------------|--------------------------|
| 01      | EQUITY OFFICE PROPERTIES TRUST<br>1560 BROADWAY, SUITE 800<br>DENVER, COLORADO, USA 80202           | 691,547.43                         | 691,547.43                                 |                                | LEASE FOR OFFICE SPACE   |
| 02      | NATIONAL CONFERENCE OF STATE LEGISLATURE<br>1560 BROADWAY, SUITE 700<br>DENVER, COLORADO, USA 80202 | 348,241.68                         | 348,241.68                                 |                                | SUBLEASE OF OFFICE SPACE |
| "TOTAL" |   |                                    | 1,039,789.11                               |                                |                          |

Dated: July 9, 1999

*Mark R. Burr*  
Signature of Debtor or Officer

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IN THE MATTER OF THE BANKRUPTCY OF  
DAKOTA MINING CORPORATIONList 'E'  
Debts Due to the Bankrupt

| No.     | Name, Address &<br>Occupation of Debtor | Nature of Debt<br><br>Particulars of Security<br><br>Folio Ledger for Particulars | Amt of<br>Debt<br>Good<br>Doubtful<br>Bad | Contr<br>acted<br>Yr Mo | Estimated<br>to<br>Produce |
|---------|---|---|---|-------------------------|----------------------------|
| 01      | NOTE RECEIVABLE FROM USMX               |   | 9501885.00<br>0.00<br>0.00                | YY MM                   | 0.00                       |
| *TOTAL* |   |   |   |                         | 0.00                       |

dated: July 9, 1999

  
Signature of Debtor or Officer



IN THE MATTER OF THE BANKRUPTCY OF  
DAKOTA MINING CORPORATION

List 'F'  
Bills of exchange, promissory notes, lien notes,  
Chattel mortgages, etc., available as assets.

| No.     | Name of all Promissors,<br>Acceptors, Endorsers,<br>Mortgagors and Guarantors<br>Address & Occupation | Amount of<br>Bill or<br>Note | Date<br>When Due | Estimated<br>to Produce | Particulars of any Property<br>held as Security for Payment<br>of Bills or Notes |
|---------|---|------------------------------|------------------|-------------------------|--|
| *TOTAL* |   |                              |                  |                         | 0.00   |

Dated: July 9, 1999

Dean R. Bell  
Signature of Debtor or Officer



IN THE MATTER OF THE BANKRUPTCY OF  
DAKOTA MINING CORPORATION

List 'G'  
Real Property Owned by Bankrupt

| Description of Property<br>Nature of Bankrupt's Interest<br>In Whose Name Does Title Stand | Total<br>Value | Particular of Mortgages, Hypothecs or Other Encumbrances |        | Equity or<br>Surplus |
|--|----------------|--|--------|----------------------|
|  |                | Name & Address   | Amount |                      |
| TOTAL  | 0.00           |  |        |                      |
|  |                |  |        |                      |

Dated: July 9, 1999

Alan R. Bull  
Signature of Debtor or Officer



IN THE MATTER OF THE BANKRUPTCY OF  
DAKOTA MINING CORPORATION

List 'H'  
Property

| Nature of Property  | Location<br>Details of Property  | Original<br>Cost | Estimated<br>To Produce |
|---|----------------------------------|------------------|-------------------------|
| (a) Cash on hand  | CASH IN BANK                     | Unknown          | 1,866.00                |
| (b) Cash in bank  |                                  |                  | NIL                     |
| (c) Household furniture and effects                               |                                  |                  | NIL                     |
| (d) Personal effects  |                                  |                  | NIL                     |
| (e) Cash Surrender value of Insurance Policies                    |                                  |                  | NIL                     |
| (f) Stock, bonds and investment                                   | STOCKS - BLACKDOME MINING CORP.  | Unknown          | 0.00                    |
|   | STOCKS - MINVEN GOLD (USA) CORP. | Unknown          | 0.00                    |
|   | STOCKS - USMX INC.               | Unknown          | 0.00                    |
| (g) Reversionary or other interests under wills, etc.             |                                  |                  | NIL                     |
| (h) Automobile  |                                  |                  | NIL                     |
| (i) Motorcycle  |                                  |                  | NIL                     |
| (j) Snowmobile  |                                  |                  | NIL                     |
| (k) Other Motorized Vehicle                                       |                                  |                  | NIL                     |
| (l) Recreational equipment  |                                  |                  | NIL                     |
| (m) Estimated tax refund  |                                  |                  | NIL                     |
| (n) Stock-in-trade at cost price, not exceeding fair market value |                                  |                  | NIL                     |
| (o) Trade fixtures, fittings, utensils, etc.                      |                                  |                  | NIL                     |
| (p) Livestock   |                                  |                  | NIL                     |
|   |                                  |                  | Continued               |

Dated: July 9, 1999

*Alan R. Burr*  
Signature of Debtor or Officer



IN THE MATTER OF THE BANKRUPTCY OF  
DAKOTA MINING CORPORATION

List 'H'  
Property

| Nature of Property                 | Location<br>Details of Property           | Original<br>Cost | Estimated<br>to Produce |
|------------------------------------|---|------------------|-------------------------|
| (g) Machinery, equipment and plant | OFFICE EQUIPMENT AND COMPUTERS            | Unknown          | 1,466.00                |
|                                    | POSTAL MACHINE (encourd.)                 |                  |                         |
| (r) Other Asset                    | INVESTMENT AND ADVANCES FROM SUBSIDIARIES | 132762,503.00    | 0.00                    |
|                                    | OTHER ASSET                               | 535,480.00       | 0.00                    |
|                                    | PREPAID EXPENSES                          | 108,420.00       | 0.00                    |
|                                    | SECURITY DEPOSIT FOR OFFICE LEASE         | 27,072.10        | 0.00                    |
| "TOTAL"                            |   |                  | 2332.00                 |

ated: July 9, 1999

*Alan R. Burr*  
Signature of Debtor or Officer



## **I. INTRODUCTION**

This report has been prepared by KPMG Inc., in its capacity as Trustee of the Estate of Dakota Mining Corporation ("Dakota" or the "Company"), to provide information to the creditors of the Estate with respect to the current state of affairs of Dakota and the administration of the Estate by the Trustee to August 6, 1999.

### **Background**

The Company's primary business activity was that of a holding company of shares of mining and exploration subsidiaries. These subsidiaries were active in gold mining and exploration operations, primarily in the United States. The company maintained a head office in Denver, Colorado.

During 1998 and 1999, the Company experienced cash flow problems due to delays in the start-up of certain of its operations. In addition, the collapse of the gold market during this period made it difficult to raise additional capital.

During the last two years, the Company has been attempting to restructure its operating subsidiaries. With the falling price of gold, these subsidiaries have proven to be uneconomic and as a result, the Company has been involved in the shutdown of mines, in co-operation with the relevant state and federal mining and environmental authorities. In addition, certain of the subsidiaries had been financed through the issue of secured debt. Due to the falling gold market, the Company was unable to restructure these subsidiaries, as it became evident that there was no equity in these companies beyond the secured creditors' interests.

## **II. CONSERVATORY AND PROTECTIVE MEASURES**

The assets of the Company are comprised of shares and inter-company debt of its subsidiaries. It does not appear that these assets have any value due to the closure of the



mining activity of its subsidiaries and the existence of the secured creditors. As a result, no conservatory or protective measures of the assets of the Company were considered necessary.

The Company's corporate books and records are located in Denver Colorado. Arrangements have been made to store these records in a public storage facility located in Denver, Colorado.

### **III PRELIMINARY EVALUATION OF ASSETS**

As at July 9, 1999, as mentioned in the above section, the shares and inter-company debt of the Company's subsidiaries are unlikely to produce any realization. As a result, there will not be any asset realization available to preferred and unsecured creditors.

### **IV OTHER MATTERS**

#### **Reviewable Transactions and Preference Payments**

The Trustee has not as yet performed a review of the books and records of the Company for the Twelve month period preceding the assignment in bankruptcy of the Company.

#### **Provable Claims**

To date, the Trustee has not received any proofs of claim which are materially different from the State of Affairs.

The Trustee has contacted the State and Federal Mining and Environmental agencies involved with the relevant Company subsidiaries to inform them of the status of the Company's bankruptcy. It is possible that these agencies may have additional claims against the Company resulting from reclamation costs exceeding the assets of certain subsidiaries.



KPMG Inc. has accepted the appointment as Trustee in Bankruptcy of the Company on the following terms:

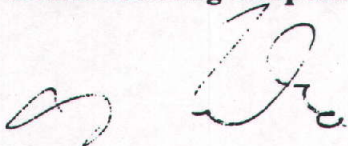
1. Provision by the Company of a \$20,000 retainer to cover costs and expenses of the bankruptcy administration.
2. Prepayment of storage costs for the corporate records of the Company to be maintained in Denver, Colorado for a period of a six years.

KPMG were the auditors of the Company for the year ended December 31, 1996.

DATED at Vancouver, British Columbia, this 6<sup>th</sup> day of August, 1999.

KPMG Inc.

**Trustee of the Estate of  
Dakota Mining Corporation**



R.M. Rusko  
*Senior Vice President*



PROOF OF CLAIM

(Section 50.1, subsections 65.2(4), 81.2(1), 102(2), 124(2), 128(1), and paragraphs 51(1)(e) and 66.14(b) of the Act)  
(see instructions on reverse)

(All notices or correspondence regarding this claim must be forwarded to the following address:

In the matter of the **BANKRUPTCY (or PROPOSAL or RECEIVERSHIP)** OF **DAKOTA MINING CORPORATION** of Vancouver, British Columbia and the claim of \_\_\_\_\_, creditor.

I, \_\_\_\_\_ (name of creditor or representative of the creditor), of \_\_\_\_\_ (city and province), do hereby certify:

1. That I am a creditor of the above-named debtor (or that I am \_\_\_\_\_ (state position or title) of \_\_\_\_\_ (name of creditor)).
2. That I have knowledge of all the circumstances connected with the claim referred to below.
3. That the debtor was, at the date of bankruptcy (or the date of the receivership, or in the case of a proposal, the date of the notice of intention or of the proposal, if no notice of intention was filed), namely the 9<sup>TH</sup> day of JULY, 1999 and still is, indebted to the creditor in the sum of \$ \_\_\_\_\_ as specified in the statement of account (or affidavit or solemn declaration) attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled. (The attached statement of account, or affidavit must specify the vouchers or other evidence in support of the claim.)
4. (Check and complete appropriate category.)
  - ( ) A. UNSECURED CLAIM OF \$ \_\_\_\_\_  
That in respect to this debt, I do not hold any assets of the debtor as security and  
(Check appropriate description.)  
( ) Regarding the amount of \$ \_\_\_\_\_, I do not claim a right to priority.  
( ) Regarding the amount of \$ \_\_\_\_\_, I claim a right to priority under section 136 of the Act.  
(Set out on an attached sheet details to support priority claim.)
  - ( ) B. CLAIM OF LANDLORD FOR DISCLAIMER OF A LEASE \$ \_\_\_\_\_  
That I hereby make a claim under subsection 65.2(4) of the Act, particulars of which are as follows:  
(Give full particulars of the claim, including the calculations upon which the claim is based)
  - ( ) C. SECURED CLAIM OF \$ \_\_\_\_\_  
That in respect of this debt, I hold assets of the debtor valued at \$ \_\_\_\_\_ as security, particulars of which are as follows:  
(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.)
  - ( ) D. CLAIM BY FARMER, FISHERMAN, OR AQUACULTURIST OF \$ \_\_\_\_\_  
That I hereby make a claim under subsection 81.2(1) of the Act for the unpaid amount of \$ \_\_\_\_\_ (Attach a copy of sales agreement and delivery receipts.)
  - ( ) E. CLAIM AGAINST DIRECTOR \$ \_\_\_\_\_  
(To be completed when a proposal provides for the compromise of claims against directors.)  
That I hereby make a claim under subsection 50(13) of the Act, particulars of which are as follows:  
(Give full particulars of the claim, including the calculations upon which the claim is based.)
5. That, to the best of my knowledge, I am (or the above-named creditor is) (or am not or is not) related to the debtor within the meaning of section 4 of the Act.
6. That the following are the payments that I have received from, and the credits that I have allowed to, the debtor within the three months (or, if the creditor and the debtor are related within the meaning of section 4 of the Act, within the 12 months) immediately before the date of the initial bankruptcy event within the meaning of Section 2 of the Act: (Provide details of payments and credits.)

(Applicable only in the case of the bankruptcy of an individual.)

- ( ) I request to be advised of any material change in the financial situation of the bankrupt, pursuant to subparagraph 102(3)(b)(i) of the Act.  
( ) I request to be advised of any amendment made regarding the amount that the bankrupt is required to pay, pursuant to subsection 68(4) of the Act.  
( ) I request that a copy of the report filed by the trustee regarding the bankrupt's application for discharge pursuant to subsection 170(1) of the Act be sent to the above address.

Dated at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

Witness

Creditor

Phone Number: \_\_\_\_\_

Fax Number: \_\_\_\_\_

NOTE:

WARNINGS:

If an affidavit is attached, it must have been made before a person qualified to take affidavits.

A trustee may, pursuant to subsection 128(3) of the Act, redeem a security on payment to the secured creditor of the debt or the value of the security as assessed, in a proof of security, by the secured creditor.

Subsection 201(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.

GENERAL PROXY (Paragraphs 51(1)(e) and 66.15(3)(b) and subsection 102(2))

In the matter of the **BANKRUPTCY (or PROPOSAL or RECEIVERSHIP)** of \_\_\_\_\_ a bankrupt (or an insolvent person or a consumer debtor)

I (or We) \_\_\_\_\_, (name of creditor), of \_\_\_\_\_ (name of city, town or village), a creditor in the above matter, hereby appoint \_\_\_\_\_, of \_\_\_\_\_, to

be my (or our) general proxy in the above matter except as to the receipt of dividends, with (or without) power to appoint another general proxy in his or her place.

Dated at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 1999.

Witness

(Individual Creditor)

Name of Corporate Creditor

Witness

Per: Name and Title of Signing Officer



## CHECKLIST FOR PROOFS OF CLAIM

This checklist is provided to assist you in preparing the accompanying proof of claim form, and where required, proxy form in a complete and accurate manner. Please specifically check each requirement. **CLAIMS NOT COMPLETED CORRECTLY IN EVERY RESPECT WILL BE RETURNED.**

### GENERAL

- \* The claim must be signed.
- \* The signature of a witness is required.
- \* The claim must be signed personally by the **individual** completing this declaration.
- \* Give the complete address where all notices or correspondence is to be forwarded.
- \* The amount on the statement of account must correspond to the amount on the proof of claim.

### PARAGRAPH (1) OF THE PROOF OF CLAIM

- \* Creditor must state full and complete legal name of company or firm.
- \* If the individual completing the proof of claim is not the creditor himself, he must state his position or title.

### PARAGRAPH (3) OF THE PROOF OF CLAIM

- \* **A detailed statement of account must be attached.** If the claim is for a guarantee, a copy of the guarantee must be attached.
- \* The statement of account must be complete.

### NOTE:

A detailed statement of account must be attached to the proof of claim and must show the date, the number and the amount of all the invoices or charges, together with the date, the number and the amount of all credits or payments. A statement of account is not complete if it begins with an amount brought forward.

### PARAGRAPH (4) OF THE PROOF OF CLAIM

- \* An unsecured creditor must strike out sub-paragraphs B, C, D and E.
- \* A preferred creditor (as allowed by section 136 of the Bankruptcy and Insolvency Act) must strike out sub-paragraphs B, C, D and E and must complete sub-paragraph A by checking the appropriate description.
- \* A secured creditor must strike out sub-paragraphs A, B, D and E and must complete sub-paragraph C and provide a certified true copy of the security instrument as registered.
- \* A farmer, fisherman or aquaculturist must strike out sub-paragraphs A, B, C and E.

### PARAGRAPH (5) OF THE PROOF OF CLAIM

- \* All claimants must indicate if he or she is related or not to the debtor, as defined in Section 4 of the Bankruptcy and Insolvency Act, by striking out "AM" or "AM NOT".

### PARAGRAPH (6) OF THE PROOF OF CLAIM

- \* All claimants must attach a detailed list of all payments or credits received or granted, as follows:
  - (a) within the three (3) months preceding the bankruptcy or the proposal, in the case where the claimant and the debtor are not related.
  - (b) within the twelve (12) months preceding the bankruptcy or the proposal, in the case where the claimant and the debtor are related.

**A STATEMENT OF ACCOUNT MUST BE ATTACHED,  
OR YOU WILL NOT BE ELIGIBLE TO RECEIVE DIVIDENDS.**

### PROXY

#### NOTE:

The Bankruptcy and Insolvency Act permits a proof of claim to be made by a duly authorized agent of a creditor but this does not give such a person power to vote at the first meeting of creditors or to act as the proxy of the creditors unless the proxy form is completed by the creditor appointing the authorized agent as proxy.

### GENERAL

- \* A creditor may vote either in person or by proxy.
- \* A debtor may not be appointed a proxy to vote at any meeting of his creditors.
- \* The trustee may be appointed as a proxy for any creditor.
- \* A corporation may vote by an authorized agent at meeting of creditors.
- \* In order for a duly authorized person to have a right to vote he must himself be a creditor or be the holder of a properly executed proxy. The name of the creditor must appear in the proxy.

### PREFERRED CLAIMS SECTION 136 (CONDENSED)

#### ORDER OF DISTRIBUTION (Subject to secured creditors)

- (1) The cost of administration of the estate.
  - (a) The expenses and fees of the Trustee
  - (b) Legal costs of the estate
- (2) Wages, salaries and commissions for services rendered in the six months preceding the bankruptcy, to a maximum of \$2,000 per person, together with expenses of a travelling salesman incurred in this same period to a maximum of \$1,000.
- (3) Municipal taxes assessed within two years preceding the bankruptcy which do not constitute a charge on real property, restricted to the value of the bankrupt's interest in the property.
- (4) The Landlord for arrears of rent for a period of three months preceding the bankruptcy, and accelerated rent for a period not exceeding three months subsequent to the bankruptcy, if provision is made in the lease. The Landlord's preferred claim is limited to the proceeds from the sale of the assets on the premises under lease at the date of the bankruptcy and any payments made by the Trustee on account of accelerated rent shall be credited by the Landlord against the amount payable by the Trustee for occupation rent.
- (5) One solicitor's bill of costs, including sheriff's fees and land registration fees, shall be payable to the creditor who has first attached by way of garnishment or lodged with the sheriff an attachment, execution or other process against the property of the Bankrupt.
- (6) Claims resulting from injuries to employees of the Bankrupt to which the provision of Workers' Compensation Act do not apply, but only to the extent of monies received from persons or companies guaranteeing the Bankrupt against damages resulting from such injuries, such as liability insurance policies.

A creditor whose rights are restricted by this Section is entitled to rank as an unsecured creditor for any balance of his claim.